

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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Local Government Tax Control Board Meeting Minutes November 25, 2008

Call to Order: The monthly meeting of the Local Government Tax Control Board was held on Tuesday, November 25, 2008 at 10:08 am. The meeting was held in the Indiana Government Center South, Conference Center Room A, 302 West Washington Street, Indianapolis, IN 46204. Those in attendance were Lisa Decker, Dan Jones, Mike Bozynski, Ken Kobe, Chuck McLean (Administrative Officer), and Tafrica L. Harewood (Interim Administrative Secretary).

Minutes and Discussion: Ms. Decker began the meeting by calling for any changes or corrections to the minutes. Mr. McLean stated there were not minutes available for review.

General Discussion: Ms. Decker asked about the remaining schedule for 2008 hearings. Mr. McLean clarified that there would be a need for a hearing on December 16, 2008, but it would be a full agenda, but not a full day. However, the hearing on December 9, 2008 would be a full day and the agenda would be distributed later today or tomorrow. Ms. Decker asked if all of the units that would be heard on December 16 were filed in time to make it onto the December 9 agenda. Mr. McLean confirmed that they had. Mr. Kobe indicated that he can be available. Ms. Decker stated that communication should go out to all board members notifying them of the hearing on December 16, 2008.

Pleasant Township

Johnson County

Township Assistance Loan:

Summary: The Unit is working its way through cash flow challenges associated with the economic downturn; flooding in neighboring communities causing population increases; and delays in the budget approval process; which caused the depletion of its Rainy Day Account. The Unit is requesting the authority to borrow \$200,000 to provide assistance to the needy in the community.

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| Amount Requested | \$200,000 |
| Tax Increase Needed | 0.0118 |
| Current Tax Rate for the District | N/A |
| Tax Increase as Percent of District Rate | N/A |
| January 1 Cash Balance | \$120,534 |
| Plus: Current Year's certified Tax Levy | \$20,720 |
| Plus: Estimate of Current Year's Revenue | \$39,172 |
| Total Funds Available for the Current Year | \$180,426 |
| Less: Encumbrances | \$0 |

| | |
|-----------------------------------|-------------|
| Less: Current Year's Expenditures | \$375,000 |
| Remaining Funds | \$(194,574) |
| Advertised Year's Budget | \$192,397 |
| Adopted Current Year's Budget | \$192,397 |

Publication: 10/01/08

Hearing: 10/13/2008

Date Adopted: 10/13/2008

The unit will be required to provide a clearer than faxed copy proof of publication, as well as letters of commitment from banks.

Present for the hearing: Mary Ann Powell, Pleasant Township Trustee; Dan Eggerman, Consultant.

Comments: Ms. Mary Ann Powell, the unit's Trustee, began by stating that she is asking for the ability to borrow money for 2009 and I am not even sure I am going to make it through 2008. In the township assessment her budget was \$192,000. When I got the paper work from DLGF on the approval, I got it the beginning of October, dated September 22, and it approved \$87,503. At that time, I had already spent almost \$83,000. So, I immediately called my board and told them we needed to have a meeting. I also told them that I wanted to contact someone as a consultant because this was above my head. I was familiar with Dan Eggerman and had his old email address, so I contacted him and he instructed me on what I needed to do.

Mr. Eggerman refers to documents in the packet sent from Pleasant Township to the LGTCB. He expresses that when he first got involved, Ms. Powell asked him to try to figure out why she was in the shape she was in given that she had not increased her budget beyond the tax levies from one year to the next. She tried to stay within the average growth quotient. So I knew there was something else here at play. I went back to 2003 which was the year that Senate Bill 1 limited tax levies and if you didn't take the maximum tax levy then the following year you ended up with what you got in 2003. So if you look at that max levy column of the document before you, in 2003 her allowed maximum levy was \$166,000. She didn't take \$166,000; she only took \$64,000 to combine them between her Township fund and her Township Assistance fund. And, she had done that if you look beyond 2003, and even her township had done that even before she was there. They had a pretty good cash balance, so they didn't take maximum levies. Well, because they got caught up by that Senate Bill 1, in 2003, the following year if you look back that the maximum levy column of the document before you, in 2004 there was a \$100,000 difference. In 2003 she only got the \$65,000. That is where the problems started because if you look at cash balance in 2006 it dwindles from \$499,000 to \$150,000. If you project this out another year, she won't have any cash balance at all in 2009 because she will not be able to fund either her township fund or her township assistance fund at the levels she had up to now.

Mr. Kobe asks for clarification on the date associated with the \$150,000 balance. Mr. Eggerman responds, June 30, 2008. He continues by stating that Ms. Powell will only be able to raise \$75,000 in 2009 and she was only allowed to raise \$72,000 for the 2008 budget. This means that she will not be able to fund her remaining needs for township assistance and she will be out of money well before the end of the year, so she will need anywhere from \$45,000 to \$50,000 to end of the year. Mr. Eggerman refers to the statute on appealing for Township Assistance, which says that township determines if a particular township assistance account will be exhausted by the end of the fiscal year, and that if it will the township will notify board so that determination can be made regarding a loan. Mr. Eggerman added that they included the needs that Ms. Powell and the township will have for the first six months of 2009 for the board's consideration. Since the statute changes December 31, and townships will no longer be able to borrow money outside the levy limits, if Ms. Powell does not borrow the money before the end of the year she will not be able to access anything beyond the current max levy and we already know that she cannot meet her current financial obligations for township operations, let alone township assistance for 2009.

Mr. Jones asks if the \$230,000 paid in 2008, is that the last full year of expenditures. Mr. Eggerman responds that 2007 is and that is because she started to realize she was using up a lot of her cash balance and at that point started wondering what was going on. The same thing is happening to a lot of townships in this climate because tax distributions have been so late, that the townships are losing a lot of money on interest. And are unable to look at the June 30 cash balances in the way that they were in past year, because it's been mishmash as to when you will get distributions that is not really being thought of until they start getting budget papers. Mr. Eggerman conveys to the board that Ms. Powell has already disbursed \$127,511 for 2008, even though the budget for 2008 was only \$87,000, she hadn't gotten the budget yet.

Mr. Kobe asks for clarification, and Ms. Powell indicates that the \$127,000 is for township assistance. Mr. Kobe asks for further clarification on the data on the documents and the timing of this figure being provided. Ms. Powell indicates that the \$127,000 was figured as of last night. Mr. Kobe asks if she did the same calculation for township operations. Ms. Powell says that she did not; however, Mr. Eggerman offers figures from other years for the board's review. Mr. Kobe continues to ask questions to obtain figures on actual expenditures versus budget figures. Mr. Eggerman shares that there is data available showing what was approved, DLGF figures on miscellaneous revenues, and what they expended out of operating balance that was available as of June 30, 2008, but there was no time to do a full audit of each year. The balances are actual balances.

Mr. Kobe seeks clarification on where the trustee will be at the end of the year. Ms. Powell responds by saying that their balance will be zero. She also shares some of the things they have done prior to making the appeal, such as using the resources in the rainy day fund, which is at zero balance. The township board also did an additional appropriation and she just received word last week that it was approved. All of those funds were moved to township assistance. As of last night, I had outstanding purchase orders amounting to \$5,938, about \$4500 in payroll, and a balance in the township account of \$4,854. She shared that she has business expenses all the way through December. Business has increased since the flood, because a lot of people moved to their township because their township did not have the damage that some of the others did and they had to find housing, and they are running into a big influx people needing assistance.

Ms. Decker asks for clarification on the township's request – they want enough to get them through the rest of this year and to supplement the lowered budget for next year. Ms. Powell confirms. Mr. Jones asks if the township assistance fund is going to need \$50,000 to get through the end of the year. Mr. Eggerman shares this is a "ballpark" figure. Ms. Powell clarifies for Mr. Jones that \$18,713 was spent out of the rainy day fund, which was all of the funds available.

Mr. Kobe asks if some of this will be used to maintain township operations. Mr. Eggerman and Ms. Powell answered no that it would be just for township assistance. Mr. Kobe asks if they will have in excess of \$200,000 in expenses in township assistance for next year. Mr. Eggerman explains that her township assistance budget was \$186,713 in 2007 and it is pretty much the same going back to 2003. She spends between \$178,000 and \$186,000 in township assistance, so they are saying that she will need about \$200,000 in township assistance for 2009.

Ms. Powell will have to remain within her levy limits for township assistance for 2009 which is what she did for 2008. The budget was approved for 140,737 and that left her with no operating balance. Mr. Kobe asked as we look at 2009 and the three potential sources for income, max levy, miscellaneous revenue and possible township assistance loan, how these amounts would be spent. Mr. Eggerman explains that Ms. Powell is going to spend all of her money on township operating and there will be no money for township assistance at all. Mr. Kobe further clarifies that it looks like there is about \$75,000 of levy and \$70,000 of miscellaneous revenue. There is about \$345,000 of potential revenue for next year. Mr. Eggerman shares

that about \$200,000 of this is for township assistance and about \$145,000 is for township operating and that would give her no increase in available funds for next year. Last year's township assistance expense was \$186,000. This year they gave her \$87,503, but she already spent \$127,511 and \$142,737 will be spent for 2008 for township operating expenses. Mr. Kobe clarifies that the total expenditures for 2008 will be \$280,000 and then a total of \$345,000 next year. Mr. Eggerman says that because of the increase in the numbers of people moving to Pleasant Township as a result of flood damage elsewhere, there will be an increase in expenses for 2009. They are anticipating that based on the 2007 numbers of \$186,000 in township assistance, she will need about \$200,000 to cover township assistance expenses in 2009.

Mr. McLean asked about the event that took place two years ago that caused the increase in township assistance requests. Mr. Eggerman stated that she spends the \$200,000 every year. Ms. Powell goes on to explain that she spends just about \$200,000 each year, but in addition there have been a large number of business closings and lay-offs. She tries to work with different organizations to keep people who have lost jobs from using the township assistance fund, but it does not always work. They have a lot of their population that is illiterate, so it is hard to find a job for them. She further explains that people cannot stay in their system for 6 or 8 months, but sometimes they stay for three. Mr. Eggerman adds that in 2006 she spent \$178,030, in 2007 \$186,713, in 2008 there was a budget projection was \$198,097 in township assistance alone, so she is under-budget. When he came into the situation in October and saw what was going on, he told her to stop spending or they were not going to have any money before the end of the year.

Mr. Eggerman shares with the board that in 2006 the township operating budget was \$138,000, in 2007, it was \$143,000, in 2008, it was \$142,000 and next year we are projected at \$146,000. Mr. Kobe asks what they will do for 2010 and Mr. Eggerman replies that they do not know, so they are hopeful that the board will allow her to at least take out enough money to cover her expenses for the first six months of 2009.

Mr. Jones offered that the board has taken positions in the past that we would only allow the borrower to cover current expense, and that the board has been pretty consistent in doing so. Mr. Eggerman argues that the DLGF has not always done that. He asks for recommendations from the board as to what to do if the township is unable to pay their township assistance claims or if there are no funds for the township to operate. He states further that it used to be set up so that the township went first to the county commissioners to try to borrow money and then to county council and if that did not work then they came to the DLGF. Now it is just the opposite, the townships begin their request with the DLGF. He refers to IC 12-20-24 which talks about payment of township assistance claims and it says that if they cannot pay their township assistance claims then they have to appeal for a loan and if the township board does not appeal for money under said code or if the appeal fails then the Board of Commissioners may borrow the money or otherwise provide the money. Mr. Eggermann continues reading the statutes in reference to unpaid township assistance claims and appeals.

Mr. Kobe pointed out that the source of the issue goes back to Senate Bill 1 and the increases that have been incurred would have been covered under the levy had it not been for Senate Bill 1.

Mr. Boyzyski asked about clarification on township assistance expenditures, specifically 2007 where they mentioned that the township spent \$186,713, but actual expenditures are printed on page 5 of the hearing information sheet as \$105,215. Mr. Eggermann stated that it would be the \$105,215. Mr. Boyzyski stated that the current year would be closer to \$130,000 in township assistance. It became clear that Ms. Powell is budgeting more than she is actually paying. Mr. Jones stated that it was actually \$127,000, so what they need to be looking at that figure for 2008.

Mr. Kobe asked Ms. Powell and Mr. Eggermann what this means for the amount of the loan they will actually need. Mr. Eggermann said she will still need about \$50,000 for the rest of this year and then

about \$70,000 for the first 6 months of next year, which won't help for the rest of the year, but maybe they can figure something out.

Motion: Mr. Kobe made a motion to recommend the approval of \$120,000 township assistance loan. Mr. Boyzyski seconded.

Discussion: Mr. McLean said the he wanted to clarify to the motion and second for the internet audience. Ms. Decker asked Mr. Jones if he had any thoughts on the motion. He stated that he thought it was too high based on what they are actually spending for township assistance. Mr. Jones pointed out that the township has \$150,772, which Mr. Eggermann said included township operations. Mr. Jones said that given the expected expenses of around \$147,000, plus the funds that they already have, the loan of \$120,000 is too high. Ms. Decker stated that their need looks like about \$107,000 if you look out until June 30, 2009. Mr. Jones stated that he would recommend about \$100,000 since they are unsure as to what the legislature will do. He also said that if this is related to the flood then the township could qualify for an emergency appeal.

Mr. Kobe withdrew his motion for \$120,000. Mr. Boyzyski seconded.

Motion: Mr. Kobe made a motion to recommend the approval of \$100,000 township assistance loan. Mr. Boyzyski seconded.

Discussion: Mr. Kobe asked Ms. Powell if she had approached any lenders. She stated that she had and had received two offers, one from MainSource Bank and another from Heartland Bank.

Motion carried 4-0.

Columbus Township

Bartholomew County

Township Assistance

Summary: This community is facing a disaster of historic proportions requiring a tripling of the levy and rate to resolve. The unit is working its way through cash flow challenges associated with the economic downturn; flooding in neighboring communities causing population increases; and delays in the budget approval process; and estimates that those receiving relief will be on it for two years. The Unit is requesting the authority to borrow \$990,000 to provide assistance to the needy in the community.

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| Amount Requested | \$990,000 |
| Tax Increase Needed | 0.0480 |
| Current Tax Rate for the District | 0.1899 |
| Tax Increase as Percent of District Rate | 0.2528 |
| January 1 Cash Balance | \$311,332 |
| Plus: Current Year's certified Tax Levy | \$418,699 |
| Plus: Estimate of Current Year's Revenue | \$218,319 |
| Total Funds Available for the Current Year | \$893,192 |
| Less: Encumbrances | 0 |
| Less: Current Year's Expenditures | \$1,793,192 |
| Remaining Funds | \$(932,706) |
| Advertised Year's Budget | \$893,192 |

Adopted Current Year's Budget

\$893,192

Publication: 10/31/08

Hearing: 11/10/2008

Date Adopted: 11/10/2008

The unit will be required to provide a clearer than faxed copy proof of publication, as well as letters of commitment from banks.

Present for the hearing: Frederick E. Barkes, Trustee; Dan Eggermann, Consultant.

Comments: Mr. Barkes introduced himself and the unit and explained their situation. Their township was hit hard by the flood and they have individuals and businesses that are in trouble. Red Cross and FEMA have been through and they are now seeing more assistance requests than they have ever seen before.

Ms. Decker asked for questions from the board and asked for better copies of the fax. Mr. McLean indicated that clearer copies had been received.

Mr. Barkes asked for a correction of address. Ms. Decker asked him to leave that information with us before he leaves.

Mr. Jones asked if this was their first emergency loan. Mr. Barkes said they have another loan out.

Mr. Eggermann explained that there was a township assistance loan that did not get out in time so it put them in dire straits and over the last three years his situation has worsened. Mr. Kobe indicated that the problem seems to be 2007, where the expenditures doubled. Ms. Decker asked what happened in 2007. Mr. Barkes said they purchased an additional facility, which they used for maintenance and that had offices that were wired in such a way that they would still have access is there was an emergency. Ms. Decker clarified that those monies came out of township assistance. Mr. Barkes replied yes and the cost was around \$230,000. Mr. Kobe asked about the remaining funds of about the 67% increase. Mr. Barkes attempted to explain the 67% increase in expenditures. Mr. Kobe pointed out that through October the expenditures for 2008 were already back down to around \$500,000, even with the floods and indicated a desire for an explanation. Mr. Barkes stated that they are just now getting into the impact of the floods and expect there to be more to come. He stated that clients have received FEMA assistance and that is now gone.

Mr. Kobe stated that it still did not explain 2007. Mr. Barkes said there was no answer other than just normal requests in response to the question about the additional \$400,000 increase. Mr. Barkes stated that they have tightened their belts a little bit and tried to be more accountable. Mr. Eggermann asked about the budget for 2008 that was not approved and the additional appropriation of the same amount. Mr. Barkes said that he did not have the 10 day window that is required so he did not get the budget approved and then put in the request for the additional appropriation of the same amount.

Mr. Kobe then asked Mr. Barkes about the \$1,000,793 that they were to spend this year. Mr. Eggermann said it comes from his calculations and put in enough money to get them through 6 months of 2009, based on their spending \$80,000 a month. Mr. Kobe stated that those numbers are not estimated current expenditures, but estimated future needs. Mr. McLean clarified with Mr. Eggermann that he was saying that the township would spend \$80,000 a month in township assistance. Mr. Eggerman replied yes.

Mr. Jones clarified that actual expenses were \$556,000 through October was what they spent on township assistance, plus the 80,000 for the two remaining months gets them to \$716,000 for 2008 for township assistance. Mr. Jones also pointed out that that on the emergency loan calculation they have \$893,000.

Mr. Eggerman continued with a review of the financial details before him and apologized that he did not have time to review all of this prior to the day's hearing.

Mr. Kobe recommended this be postponed until Mr. Eggermann would have time to review the documents for Columbus Township and get a better understanding of their situation. Mr. Kobe stated that he did not see a shortfall issue.

Motion: Mr. Jones made a motion to delay this until December 9, 2008. Mr. Kobe seconded.

The motion carried by a vote of 4-0.

Discussion: Mr. Kobe stated that they would need to bring detailed information on expenditures, particularly for 2007.

Center Township Grant County Township Assistance

Summary: The unit is working its way through cash flow challenges associated with the economic downturn; and the need for employment retraining in the community. The Unit is requesting the authority to borrow \$100,000 to provide assistance to the needy in the community.

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| Amount Requested | \$100,000 |
| Tax Increase Needed | 0.0188 |
| Current Tax Rate for the District | n/a |
| Tax Increase as Percent of District Rate | n/a |

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|--|------------|
| January 1 Cash Balance | \$24,080 |
| Plus: Current Year's certified Tax Levy | \$109,730 |
| Plus: Estimate of Current Year's Revenue | \$41,234 |
| Total Funds Available for the Current Year | \$175,044 |
| Less: Encumbrances | \$0 |
| Less: Current Year's Expenditures | \$260,000 |
| Remaining Funds | \$(84,956) |
| Advertised Year's Budget | \$299,594 |
| Adopted Current Year's Budget | \$220,863 |

Publication: 08/22/2008

Hearing: 09/02/2008

Date Adopted: 09/02/2008

Present for the hearing: Bryce Coryea, Trustee.

Comments: Mr. Coryea introduced himself and reviewed with the Board the process that one goes through when they apply for township assistance. He also discussed the additional resources that are made available, the qualification and verification process, as well as the increase in requests they have received. Mr. Coryea stated that they have approached five banks and the lowest rate they were offered was 4.25% for a one-year loan.

Mr. Kobe asked if they have every applied for a loan. Mr. Coryea responded that they had in 2004. Mr. Coryea went on to say that there are people coming to them who are not getting food stamps and they are using the township assistance to cover food and other basic needs. In addition, major employers have closed their doors and many are coming for energy assistance.

Ms. Decker asked if there were any questions from the board. Mr. Kobe stated that this year seems pretty well documented and asked Mr. Coryea what he was going to do next year. Mr. Coryea replied that because they have been inundated just like other communities, he had no idea.

Ms. Decker stated that it looks like Mr. Coryea was doing everything he could to find out who really needs help. Mr. Coryea was then asked by Mr. Kobe if there was a reason for the 100,000 dollar request when your shortfall is 85,000.

Mr. Coryea replied that they had a loan from our fire fund of \$44,000, now I wish I had asked for about \$130,000 so that they could pay that back, but they would stay with the \$100,000 request.

Motion: Mr. Kobe made a motion to recommend approval of a township assistance loan of \$100,000. Mr. Jones seconded.

Motion carried by a vote of 4-0.

Hudson Township

LaPorte County

Emergency Levy Appeal

Summary: The Trustee has declared a fiscal emergency due to the need to hire an EMT, part time clerical, utility cost increases, repair cost increases; increased needs in township assistance; and an inadequate max levy.

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|-------------|---|
| Advertised: | \$55,000 in the Fire Fund; \$5,500 in Township Assistance; \$20,000 in the General Fund |
| Requested: | \$80,500 |
| AV | \$68,716,808 |

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|--------------------|--|
| Current Levy/Rate: | \$21,040/.0023 Township General (2007) |
| | \$3,522/.0041 Township Assistance (2007) |
| | \$56,511/.0399 Township Fire (2007) |

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|---------------------|--|
| Projected levy/rate | \$67,865/.0976 Township General (2009) |
| | \$14,400/.02101 Township Assistance (2009) |
| | \$262,749/.38236 Township Fire (2009) |

Unit also has a Cum Fire and Fire Equipment Fund.

Present for hearing: Richard Gray, Trustee.

Comments: Mr. Gray introduced himself and explained some of the details of the township's request. He noted that he is at the end of just his second year. The largest part of their request is the fire fund and their expenses in that area have increased tremendously. Also, he stated that they have a very elderly township so there are a lot of requests for energy assistance as well as assistance for medical expenses.

Mr. Jones asked about the increase to \$345,000 levy in 2009 which is a significant increase from 2007 and 2008. Mr. Gray indicated that he received help with the forms, so he doesn't know where that number actually came from. He said for 2009 he is asking for a fire budget of \$116,407.

Mr. Jones asked him about the emergency for his general fund. Mr. Gray stated that he does not have enough with which to operate. Mr. Jones explained to him the purpose of the emergency appeal. Mr. Kobe added that the standard is pretty high.

Mr. Gray mentioned that they had already added a full-time secretary and two EMT's. Ms. Decker asked whether this was done before he arrived and Mr. Gray stated that it was. Ms. Decker clarified that because the Board does not feel comfortable with the "emergency", it is difficult to vote on. Mr. Kobe stated that the Board has run into this before where a unit is working with a representative of the DLGF and it results in numbers that are hard for the Board to accept.

Mr. Jones pointed out that there is an appeal that is available for fire that they could receive with just the approval of the township board. Mr. Gray indicated that they are in the process of trying to do that, but it is going to cover just what they need for this year. Mr. Jones also stated that there is a township assistance loan that Mr. Gray could pursue instead of using the emergency option.

Mr. Jones asked if they have a fire contract. Mr. Gray said that they do. Mr. McLean asked what they pay out of their general fund. Mr. Gray explained. Ms. Decker asked for advice from the DLGF on how to tackle this. Mr. McLean stated that the DLGF saw this exactly the way Mr. Jones laid out. He added that the Unit should add \$55,000 to any borrowing it is already doing for fire relief. The Township Assistance loan of \$5,500 they could present to the LGTCB. Mr. McLean went on to say that the only way to justify the \$20,000 being requested for their general fund is to say that the employment obligations and other responsibilities are more than they can handle and constitutes an emergency, but that would be difficult to get passed with this Board based on the definition of an emergency.

Mr. McLean recommended consolidating with another township. Ms. Decker noted that the Board cannot recommend something that they know is not consistent with the law and so cannot declare this a true emergency situation. Mr. Jones pointed out to Mr. Gray that there is a three year loan option still available to him, but what is not is an adjustment in that fourth year for a permanent change in their maximum levy. Ms. Decker also recommended that Mr. Gray speak to his local legislators. Mr. Jones then suggested that they could consider him for the request of \$5,500 for Township Assistance.

Mr. Jones then reviews the township's budget information with Mr. McLean and Mr. Gray.

Mr. McLean suggested that in the interest of time that a motion be made to forward this on to the commissioner without recommendation to allow the DLGF to further investigate funding options with the township.

Motion: Mr. Kobe made such a motion. Mr. Boyzyski seconded.

The motion passed by a vote of 4-0.

Town of Cedar Lake

Lake County

Shortfall and Mathematical Error Appeals

Summary: The Unit explains that due to an error in 2002 in the definition of its Boarders, they have not had the proper AV accorded to the Town. This has cost them \$48,444. In addition, now that 2007 Lake County numbers are available, the Unit clearly see that it is owed \$101,850 for a property tax shortfall.

DLGF short fall calculations:

Budget Year:
2007

| <u>Funds</u> | <u>Certified Levy</u> | <u>Actual Collections</u> | <u>Circuit Breaker</u> | <u>Difference</u> | <u>Rate</u> |
|----------------|-----------------------|---------------------------|------------------------|-------------------|-----------------|
| General | \$2,148,728 | \$2,046,874 | \$4 | \$101,850 | \$0.4813 |
| Police Pension | \$29,912 | \$28,404 | \$0 | \$1,508 | \$0.0067 |
| Redevelopment | | | | | |
| General | \$25,447 | \$24,241 | \$0 | \$1,206 | \$0.0057 |
| Total Levy | <u>\$2,204,087</u> | <u>\$2,099,519</u> | <u>\$4</u> | <u>\$104,564</u> | <u>\$0.4937</u> |

| | <u>Errors</u> | <u>Refunds</u> | <u>Total</u> | <u>District Rate</u> | <u>Unit's Rate</u> | <u>% of rate</u> | <u>Unit's Portion</u> |
|----------------|------------------|-----------------|------------------|----------------------|--------------------|------------------|-----------------------|
| 014 Cedar Lake | | | | | | | |
| Hanowver Twp | \$54,570 | \$41,117 | \$95,687 | \$3.2024 | \$0.4937 | 15.42% | \$14,752 |
| 043 Cedar Lake | | | | | | | |
| Center Twosp. | \$81,185 | \$17,437 | \$98,622 | \$3.0068 | \$0.4937 | 16.42% | \$16,193 |
| | <u>\$135,755</u> | <u>\$58,554</u> | <u>\$194,309</u> | | | | <u>\$30,945</u> |

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|----------------|-------------|
| Actual | \$104,564 |
| Unit's Portion | \$30,945 |
| Advertised | \$2,715,152 |
| Requested | \$101,850 |

The DLGF has examined the request for appeal due to error. We have concluded that the reasoning is not quite clear. However, were it clear, the error would be corrected at the County level, and the proper method to collect from this is a shortfall appeal due to error. In addition, we can not find a single instance where the appeal was granted for an error that occurred so long in the past, prior to the request.

Present for hearing: Ian Nicolini, Town Administrator; Amy Sund, Clerk-Treasurer.

Comments: Ms. Sund introduces herself and the appeal for \$150,294. She pointed out that the information necessary was in the packet to verify the shortfall. She then explained that there were two parcels of land that were incorrectly assessed as commercial instead of residential. Mr. Nicolini pointed out that the error had been in place since 2004 and the zoning had not changed. It was verified by Mr. Jones that Lake County was very far behind in their assessments, which was part of the reason why it took so long to catch the error.

Ms. Decker noted that this was an unprecedented request. Mr. McLean agreed and shared that it is not believed to be an appealable situation because the error has been corrected over the normal course of events.

Mr. Jones asked about the jump from \$1.7 million to \$7.5 million. Ms. Sund explained that this was due to the jump from an annexation appeal to three-year growth factor appeal and back to the annexation appeal. Mr. Jones then asked if they expected their levies to level off at about \$5 million. Ms. Sund responded that they did not with the fact that they have had a decrease in miscellaneous revenues and

their tax rates fell. They were told to include the three-year growth appeal in the ad. Mr. Jones asked Ms. Sund more questions about their financial information and levies and for a calculation of the shortfall. Ms. Sund reviewed the information from the packet explaining that the two townships involved were inaccurately assessed. She directed the Board to the additional errors reported. Mr. Jones stated that this is not uncommon for a large county. Ms. Sund shared that this information was from the forms from the Lake County Auditor.

Mr. Jones asked if the DLGF had a shortfall calculation. Mr. McLean stated that there was a calculation done. Mr. Kobe clarified that this is a one time adjustment. Mr. Jones stated that there was something that the Board needed to be aware of in looking at the last page of the Unit's information, the errors totaled \$135,755 and refunds, \$58,554. That information, along with the tax rates from Cedar Lakes and all areas together, brings them to a shortfall total of \$30,945. Mr. Kobe clarifies with Mr. Jones that this would be the correct calculation versus the \$101,000 that has been requested.

Mr. Kobe asked what they would do with the levy increase of \$101,000. Ms. Sund said this would go toward operating expenses to cover law enforcement, fuel costs, liability, volunteer fire expenses. Mr. Kobe asked if it was not granted what they would do. Ms. Sund responded that they are struggling as it is, but that is a good question that would need to be discussed with the town council.

Mr. McLean stated that the DLGF does not believe there is an error to be corrected, so the group could suggest that the Board agree with the unit on the shortfall, but not on the error. Mr. Jones pointed out the information presented on the 2006 ratios. Mr. McLean then suggested that the Board break up the appeals and make different recommendations on them.

Ms. Decker asked if the LGTCB wanted to take these separately. Mr. Kobe stated that he could not make a motion.

Motion (Shortfall): Mr. Jones made a motion to recommend modified approval of the shortfall in the amount of \$30,945. Mr. Boyzyski seconded.

Motion passed by a vote of 3-0-1. Mr. Kobe abstains because of position.

Motion (Error): Mr. Boyzyski made a motion that the LGTCB pass it on to the commissioner without a recommendation since it does appear to be an isolated instance or at least one this Board has never addressed. Mr. Jones seconded.

Motion carried by a vote of 3-0-1, Mr. Kobe abstains because of position.

Ms. Decker stated that a reminder will go out to meet on December 16, 2008.

Mr. Jones made a motion to adjourn. Mr. Kobe seconded.

Meeting adjourned at 12:10 PM.